

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1588.
FILED, DECEMBER 21st. 1967.

LAKE-OSU MINES LIMITED

Full corporate name of Company
Incorporated under The Companies' Act (Ontario)
by Letters Patent dated October 19, 1945.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1501.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	See Schedule "A" on pages 3-5 Inclusive.
2. Head office address and any other office address.	The Head Office address of the Company is Room 1000, 11 King Street West, Toronto 1, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Schedule "B" on page 5.
4. Share capitalization showing authorized and issued and outstanding capital.	The authorized capital of the Company consists of 5,000,000 shares of the par value of \$1.00 each of which 3,550,000 shares are issued and outstanding as fully paid and non-assessable shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	There are no bonds, debentures, notes, mortgages, charges, liens or hypothecations of the Company outstanding.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "A" on pages 3-5 Inclusive.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Chimo, (a public company having the same officers and directors as the Company), holds the entire interest, direct or indirect, in the underwritten and optioned shares of the Company referred to in Schedule "A" hereto. There are no present or proposed assignments of any of the shares underwritten or optioned and none are contemplated. See Schedule "A" on pages 3-5 Inclusive.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No payment in cash or securities of the Company has been made or will be made to a promoter or finder in connection with the Underwriting and Option Agreement referred to in Schedule "A" hereto. See Schedule "A" on pages 3-5 Inclusive.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company will participate through the purchase of treasury shares of Nakina Mines Limited in an exploration programme on 40 mining claims in the Patricia Mining Division, Province of Ontario, the initial estimated cost of which is \$75,000 and the Company will provide one-third of such moneys through the purchase of shares of Nakina at a price of 25¢ per share. At the present time, the Company has no plans for carrying out any further exploration of property optioned from Waco Petroleum Ltd. or on the claims owned by the Company in the Michipicoten Area of Ontario.

<p>10. Brief statement of company's chief development work during past year.</p>	<p>During the past year the Company participated in financing several prospecting parties some of which were financed jointly with Calmor Iron Bay Mines Limited and Uranium Ridge Mines Limited. The total cost to the Company of such parties was \$6,874.</p> <p>In addition, the Company carried out an exploration programme on a 20-claim property in the Gaspé area optioned from Waco Petroleum Ltd. The programme included geological mapping and 4,285 feet of diamond drilling. The total cost to the Company of this programme was \$54,734. Nothing of economic significance was located.</p> <p>No exploration was carried out on the Company's claims in the Michipicoten Area of Ontario during the past year.</p>												
<p>11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.</p>	<p>The Company does not propose to purchase any property or other assets at this time.</p>												
<p>12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.</p>	<p>Not applicable.</p>												
<p>13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.</p>	<p>There are no shares of the Company held in escrow or pool.</p>												
<p>14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)</p>	<p>Not applicable.</p>												
<p>15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.</p>	<p>The following are the names, addresses and shareholdings of the five largest registered shareholders of the Company as at the close of business on December 11, 1967.</p> <table border="1"> <thead> <tr> <th>NAME AND ADDRESS</th><th>NUMBER OF SHARES</th></tr> </thead> <tbody> <tr> <td>Chimo Gold Mines Limited, 1000, 11 King Street West, TORONTO, Ontario.</td><td>631,500</td></tr> <tr> <td>Bongard, Leslie & Co. Ltd., 20 King Street West, TORONTO, Ontario.</td><td>605,750</td></tr> <tr> <td>Bongard & Company, 20 King Street West, TORONTO, Ontario.</td><td>267,500</td></tr> <tr> <td>Ross, Knowles & Co. Limited 105 Adelaide Street West, TORONTO, Ontario.</td><td>201,150</td></tr> <tr> <td>Doherty, Roadhouse & McCuaig Bros., 335 Bay Street, TORONTO, Ontario.</td><td>94,300</td></tr> </tbody> </table> <p>The Company is advised that all the 631,500 shares of the capital stock of the Company registered in the name of Chimo Gold Mines Limited are beneficially owned by that Company.</p> <p>The Company is advised that Bongard, Leslie & Co. Ltd. is the beneficial owner of 143,500 shares of the capital stock of the Company registered in the name of Bongard, Leslie & Co. Ltd.</p> <p>The Company does not know if any other of the above shareholders are the beneficial owners of the shares registered in their name or not.</p> <p>The Company understands that none of the above shares are pooled or escrowed.</p>	NAME AND ADDRESS	NUMBER OF SHARES	Chimo Gold Mines Limited, 1000, 11 King Street West, TORONTO, Ontario.	631,500	Bongard, Leslie & Co. Ltd., 20 King Street West, TORONTO, Ontario.	605,750	Bongard & Company, 20 King Street West, TORONTO, Ontario.	267,500	Ross, Knowles & Co. Limited 105 Adelaide Street West, TORONTO, Ontario.	201,150	Doherty, Roadhouse & McCuaig Bros., 335 Bay Street, TORONTO, Ontario.	94,300
NAME AND ADDRESS	NUMBER OF SHARES												
Chimo Gold Mines Limited, 1000, 11 King Street West, TORONTO, Ontario.	631,500												
Bongard, Leslie & Co. Ltd., 20 King Street West, TORONTO, Ontario.	605,750												
Bongard & Company, 20 King Street West, TORONTO, Ontario.	267,500												
Ross, Knowles & Co. Limited 105 Adelaide Street West, TORONTO, Ontario.	201,150												
Doherty, Roadhouse & McCuaig Bros., 335 Bay Street, TORONTO, Ontario.	94,300												

THIS IS SCHEDULE "A" to the Filing
Statement of LAKE-OSU MINES LIMITED
dated as of December 12, 1967

This Statement is filed in respect to a Plan under which Lake-Osu Mines Limited (the Company) is participating and which has as its principle objective, the exploration and development of a certain mining property located in the Kapikotongwa Lake Area in Northern Ontario, comprising 40 mining claims (the Property) which were staked by Stanley C. Johnson and Carman Clifford Allen under a grub-stake prospecting venture. The Company's share of the staking costs and the cost of exploration and development work to the date hereof amounts to approximately \$2,731.

Pursuant to the Plan:-

1. The Company, which holds beneficially an undivided 28.33% interest in the Property, together with Uranium Ridge Mines Limited (Uranium Ridge) and Calmor Iron Bay Mines Limited (Calmor Iron Bay) which each hold beneficially an undivided 28.33% interest therein has, under an agreement dated December 8, 1967, conveyed the Property to Nakina Mines Limited (Nakina), a Company incorporated for the purpose of acquiring the Property and for carrying out the exploration and development programme thereon. The remaining beneficial 15% interest in the Property is held as to an undivided 10% interest of the Property by Stanley C. Johnson, Prospector, and as to an undivided 5% interest of the Property by Carman Clifford Allen, Prospector (hereinafter together called the "Prospectors"). In consideration of the transfer by the Company, Uranium Ridge and Calmor Iron Bay of their interests in the Property, the Company, Uranium Ridge and Calmor Iron Bay will each receive 212,500 shares of Nakina and the Prospectors will receive 112,500 shares of Nakina. Of the shares of Nakina allotted and issued for the Property, 10% will be free and 90% will be held in escrow by D.A. Huntley as escrow agent, subject to release or transfer only with the consent of the Directors of Nakina and such regulatory authorities as have jurisdiction.
2. The Company has entered into an Underwriting and Option Agreement dated as of December 8, 1967, with Chimo Gold Mines Limited, 1000, 11 King Street West, Toronto 1, Ontario, (Chimo), acting as

principal, whereby subject to the shareholders of the Company approving the Underwriting and Option Agreement and subject to The Toronto Stock Exchange accepting for filing on or before January 15, 1968, notice of the Underwriting and Option Agreement and this Filing Statement, the Company has agreed to sell to Chimo and Chimo has agreed to purchase from the Company, 200,000 shares of the capital stock of the Company, at the price of 25¢ per share and in consideration thereof and subject thereto, the Company has agreed to give to Chimo, the sole and exclusive right and option to purchase from the Company a further 100,000 shares of the capital stock of the Company to be taken up and paid for in full at the price of 30¢ per share within 90 days of the effective date as defined in the Underwriting and Option Agreement or such later date as may be approved of by The Toronto Stock Exchange. In consideration of Chimo purchasing the 200,000 shares of the Company at the price of 25¢ per share, the Company will assign to Chimo its option to purchase 200,000 shares of Nakina at the price of 50¢ per share and its option to purchase a further 100,000 shares of Nakina at the price of \$1.00 per share. The effective date of the Underwriting and Option Agreement is the date upon which the shareholders of the Company approve its execution by the Company.

3. In order to finance the exploration and development programme of Nakina on the Property, the Company, Uranium Ridge and Calmor Iron Bay and Chimo have entered into a Financing Agreement with Nakina whereby each of the Company, Uranium Ridge and Calmor Iron Bay will underwrite 20,000 shares of Nakina at the price of 25¢ per share payable upon the effective date of the Financing Agreement and in consideration thereof, each of the Company, Uranium Ridge and Calmor Iron Bay will receive an option to purchase a further 80,000 shares of Nakina at the price of 25¢ per share to be taken up and paid for in full on or before six months from the effective date of the Financing Agreement. In addition, each of the Company, Uranium Ridge and Calmor Iron Bay will receive options to purchase a further 200,000 shares of Nakina at the price of 50¢ per share to be taken up and paid for in full on or before 12 months from the effective date of the Financing Agreement, a further 100,000

shares of Nakina at the price of \$1.00 per share to be taken up and paid for in full on or before 18 months from the effective date of the Financing Agreement and a further 237,500 shares of Nakina at the price of \$2.00 per share to be taken up and paid for in full on or before 24 months from the effective date of the Financing Agreement. In consideration of Chimo purchasing shares of the Company (and shares of Uranium Ridge) to provide funds for the Company (and for Uranium Ridge) to participate in the Plan, Nakina has granted to Chimo an option to purchase 237,500 shares of Nakina at the price of \$2.00 per share to be taken up and paid for in full on or before 24 months from the effective date of the Financing Agreement. The effective date of the Financing Agreement is the date upon which the shareholders of the Company and Uranium Ridge approve the execution of the Financing Agreement on behalf of the Company and Uranium Ridge respectively. If such approval is not given by February 15, 1968, the Financing Agreement shall be null and void and of no force and effect.

All shares of the Company underwritten by Chimo and all shares of the Company presently beneficially owned by Chimo will be held for investment purposes only, for a minimum period of six months from the effective date of the Underwriting and Option Agreement.

THIS IS SCHEDULE "B" to the Filing
Statement of LAKE-OSU MINES LIMITED
dated as of December 12, 1967

The present Officers and Directors of the Company with their respective chief occupations for the past five years, are as follows:-

President	-	A. C. Mosher, 1000, 11 King Street West, Toronto 1, Ontario, Mining Executive;
Vice-President	-	D. W. Falconer, 2400, 44 King Street West, Toronto 1, Ontario, Solicitor;
Secretary-Treasurer	-	David Austin Huntley, 1000, 11 King Street West, Toronto 1, Ontario, Chartered Accountant.

DIRECTORS

A. C. Mosher	-	As above;
D. W. Falconer	-	As above;
Forrest W. Graham	-	600, 20 King Street West, Toronto 1, Ontario, Stockbroker;
Frank W. West	-	Grimsby, Ontario, Retired;
Donald J. Hains	-	77 York Street, Toronto 1, Ontario, Metallurgist.

FINANCIAL STATEMENTS

L A K E - O S U M I N E S L I M I T E D

(Incorporated under the laws of Ontario)

BALANCE SHEET AS AT OCTOBER 31, 1967

ASSETS

		1966 Comparative Figures
Current		
Cash	\$ 9,702	\$ 15,048
Short term bonds at cost, (which approximates market), plus accrued interest	19,994	19,994
Accounts receivable and advances	<u>4,429</u>	<u>11,324</u>
	34,125	46,376
Mining properties and development expenditures at cost, see note	<u>24,482</u>	<u>73,123</u>
	<u>\$ 58,607</u>	<u>\$ 119,499</u>

LIABILITIES

Current		
Accounts payable	\$ 1,008	\$ 4,346

SHAREHOLDERS' EQUITY

Capital Stock		
Authorized		
5,000,000 shares, par value \$1 each		
Issued		
3,550,000 shares (including 400,000 issued during the year for cash)	3,550,000	3,150,000
Deduct discount	<u>1,261,996</u>	<u>921,996</u>
	2,288,004	2,228,004
Deficit, per statement	<u>2,230,405</u>	<u>2,112,851</u>
	57,599	115,153
	<u>\$ 58,607</u>	<u>\$ 119,499</u>

On behalf of the Board:

..... Director

..... Director

L A K E - O S U M I N E S L I M I T E D

STATEMENT OF OPERATIONS AND DEFICIT FOR THE YEAR ENDED OCTOBER 31, 1967

		1966 Comparative Figures
Expenses		
Exploration		
Prospecting ventures	\$ 6,874	\$ 11,591
Expenditures on property in the Gaspé district, Quebec, optioned from Waco Petroleum Limited	<u>54,734</u>	<u>1,611</u>
	61,608	13,202
Administrative		
Audit fees	\$ 250	250
Legal fees	1,225	225
Office and general	1,222	1,069
Office rent	748	1,158
Office salaries	514	806
Officers' salaries	2,100	2,800
Registrar and transfer fees	568	541
Reports to shareholders	994	472
Telephone	240	182
Travel	<u>474</u>	<u>394</u>
	8,355	7,897
Deduct, investment income	<u>2,761</u>	<u>2,397</u>
	5,574	5,500
Net expenses	67,182	18,702
Mining claims abandoned:		
Dufresnoy Township, Quebec	50,162	
Beschefer Township, Quebec	<u>210</u>	
	50,372	
Deficit at the beginning of the year	<u>2,112,851</u>	<u>2,094,149</u>
Deficit at the end of the year	<u>\$2,230,405</u>	<u>\$2,112,851</u>

LAKE - OSU MINES LIMITED

SCHEDULE OF EXPENDITURES
ON PROPERTY IN THE GASPE DISTRICT, QUEBEC
FOR THE YEAR ENDED OCTOBER 31, 1967

Diamond drilling	\$ 49,829
Engineering fees and expenses	9,535
Equipment rental	7,307
Wages	954
Assays	91
Sundry	<u>2,018</u>
	69,734
Less, portion of costs paid by Waco Petroleums Limited	<u>15,000</u>
	<u>\$ 54,734</u>

LAKE - OSU MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED OCTOBER 31, 1967

1966
Comparative
Figures

Source of funds:

Issue of shares	\$ 60,000	-
-----------------	-----------	---

Application of funds:

Net expenses for the year	\$ 67,182	\$ 18,702
Expenditures on mining claims	<u>1,731</u>	<u>2,791</u>
	68,913	21,493
Decrease in working capital	(8,913)	(21,493)
Working capital at the beginning of the year	<u>42,030</u>	<u>63,523</u>
Working capital at the end of the year	<u>\$ 33,117</u>	<u>\$ 42,030</u>

NOTE TO THE FINANCIAL STATEMENTS
OCTOBER 31, 1967.

Mining properties and development expenditures
included the following:

	<u>Property Cost</u>	<u>Development Expenditures</u>	<u>Total</u>
5 mining claims in the Township of Michipicoten, Ontario, acquired for cash	\$ 1,500	21,251	22,751
28.33% interest in 40 mining claims located in the Kapikotongwa Lake Area of Ontario, acquired by staking	<u>200</u>	<u>1,531</u>	<u>1,731</u>
	<u>\$ 1,700</u>	<u>22,782</u>	<u>24,482</u>

ENGINEER'S REPORT

Calmor Iron Bay Mines Limited
Suite 1000, 11 King Street West
Toronto 1, Ontario

Uranium Ridge Mines Limited
Suite 1000, 11 King Street West
Toronto 1, Ontario

Lake-Osu Mines Limited
Suite 1000, 11 King Street West
Toronto 1, Ontario

Nakina Mines Limited
Suite 1000, 11 King Street West
Toronto 1, Ontario

FOREWORD

Late in the summer of 1967, Messrs. Stanley Johnson and Carman Allen, prospectors in the employ of Calmor Iron Bay Mines Limited, Lake-Osu mines Limited and Uranium Ridge Mines Limited, discovered base metal mineralization north of the eastern end of Kapikotongwa Lake. In the company of Mr. A. C. Mosher, President of these three Companies, I examined the showings and recommended that claims be staked.

This report deals with the ground so acquired, the showings, sample results, exploration programme ratified, further work recommended and estimates of costs.

CLAIMS, LOCATION

- Forty claims in a block $3\frac{1}{4}$ miles along the east-west formational trend and $\frac{3}{4}$ to 1 mile wide.
- Claims Numbers PA 39787 to PA 39826 inclusive.
- North of Kapikotongwa and Melchett Lakes, which are roughly 34 miles north of Cavell on the Canadian National Railway, 15 miles west of Nakina.
- Latitude $50^{\circ}45'$ north, Longitude $87^{\circ}00'$ west.
- Patricia Mining Division, District of Thunder Bay, Ontario.

OWNERSHIP

The forty claims are being acquired by a newly incorporated company, Nakina Mines Limited.

ACCESS

A 55-mile motor road from Nakina to the south side of Melchett Lake passes within 4 miles of the claims.

Two charter flying services are based near Nakina, some 40 air miles from Kapikotongwa Lake.

GEOLOGY

The claims are in the north-central portion of a belt of altered sediments and volcanics which extends some 40 miles east-west, is 8 miles wide in the vicinity of the property, and is surrounded by granitic rocks. It consists mainly of meta-sediments listed as conglomerate, quartzite, graywacke, arkose, slate mica schist, garnet gneiss, staurolite gneiss, phyllite, amphibolite and iron formation. Large areas east of Kapikotongwa Lake are metavolcanics, greenstone, basalt, pillow lava, metadiorite, andesite, dacite, amphibolite, chlorite schist, hornblende schist, tuff and agglomerate. This complex is cut by two sets of diabase dykes which strike northwesterly and northeasterly. A contact between the metasediments and metavolcanics is plotted from aerial geomagnetic data as crossing the southern part of the claim block.

The property has not been mapped geologically. Outcrops observed are banded sericite-quartz schist, sericite-chlorite-quartz schist and acidic gneisses. Foliation appears to parallel layering, strikes east-west and dips steeply to the north. Small folds and crenulations were noted.

WORK DONE AND SHOWINGS

Careful grubhoe prospecting located several rusty outcrops which carry pyrite, sphalerite, galena and chalcopryrite. A few small pits and trenches exposed fresh rock and sulphide mineralization. These were examined on September 9th, 1967, but were not mapped or systematically sampled. Claims subsequently staked over the showings are PA 39793, 39798 and 39801. Sulphide mineralization was observed in places for a length of over a half a mile. Pits and rusty outcrops suggest the width of mineralization to be in excess of 200 feet at one locality. Mineralization consists of pyrite, sphalerite, galena and chalcopryrite in narrow streaks paralleling the schistosity. Silicification and quartz veining accompanies some of the sulphide mineralization. Much of the best mineralization is close to muskeg.

Snow came while staking was in progress, so no additional geological details were obtained. A winter tent-camp was erected and a base line laid out.

SAMPLE RESULTS

Character samples from the pits were assayed to provide a guide in assessing the attractiveness of this mineralization. Results from these samples are:

<u>Working</u>	<u>Gold</u> <u>opt.</u>	<u>Silver</u> <u>opt.</u>	<u>Copper</u> <u>%</u>	<u>Lead</u> <u>%</u>	<u>Zinc</u> <u>%</u>
No. 1	0.02	0.86			2.40
No. 1	nil	.46	0.10	0.12	1.83
No. 2	.30	.92	.23		14.85
No. 3	.10	.38	.10		7.65
No. 4	nil	nil	.07	Tr	4.25
150' South No. 4	.11	.26			
No. 5	.03	1.91	.05	5.50	2.97
No. 6	.84	3.94	1.65		.15
B	nil	.14	Tr		.15
C	.01	nil			.13

EXPLORATION PROGRAMME RATIFIED

Estimated Cost

1. A four-claim block is to have picket lines at 200-ft intervals and stations at 100-ft spacing to be used for a magnetometer survey and one or more electro-magnetic surveys.

Line-cutting	8 miles	\$ 520.00
Magnetic survey	7 miles + base line	350.00
E.M. survey	Loop Type - 8 miles	560.00
	OR Turam Type 8 miles	1,000.00
Supervision, transportation, etc.		500.00

Total, depending on E.M. equipment used \$1,930 to \$2,370

2. Establish grid over remaining claims at 400-ft intervals with stations at 100-ft spacing for magnetometer and E.M. surveys.

Line-cutting	36 miles	\$2,340.00
Magnetometer survey	36 miles	1,620.00
E.M. survey	Loop Type - 36 miles	2,520.00
	Turam Type	?
Supervision, transportation, etc.		1,500.00

Total, with no allowance for Turam Type E.M. \$7,980.00

3. Microscopic study of mineralization

\$ 200.00

RECOMMENDATIONS

Estimated Cost

1. Contingent on favourable geophysical indications and the advisability of drilling under winter conditions, I recommend that provision be made for 2,000 feet of diamond drilling to be completed before break-up
2. Claims be mapped geologically and thoroughly prospected with grubhoes.
3. Zones with favourable geological and/or geophysical indications be investigated by trenching, bulldozing and drilling to suit conditions.

Contingent allowance	27,000
Total	\$50,000

CONCLUSIONS

1. The geographical location, geological setting, type of mineralization and grade of character samples are highly favourable.
2. This property warrants a thorough investigation.

Toronto, Ontario
December 28, 1967.

N. S. Beaton



C E R T I F I C A T E

I, NEIL STEWART BEATON, of the City of Toronto in the Province of Ontario, do hereby certify that:

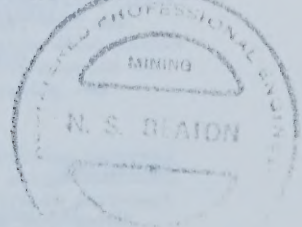
1. I am a Professional Engineer and Consulting Geologist and reside in the City of Toronto in the Province of Ontario.
2. I am a graduate of:

Queen's University	B.Sc. Degree, 1927
Queen's University	M.Sc. Degree, 1931
Massachusetts Institute of Technology,	Ph.D. Degree, 1935
3. I am a registered Engineer of the Association of Professional Engineers of Ontario. I am a member of the Society of Economic Geologists, the Canadian Institute of Mining and Metallurgy, the Geological Association of Canada, and the American Institute of Mining and Metallurgical Engineers.
4. I have practised my profession for over 30 years.
5. I acquired the following stocks prior to June 30, 1967 and still own them:

Calmor Iron Bay Mines Limited	4,000 shares
Uranium Ridge Mines Limited	5,000 shares
Chimo Gold Mines Limited	1,500 shares
6. I do not expect to obtain any interests in the Companies concerned with this report, other than through the purchase of their shares in the regular markets.
7. I have been a Director of Calmor Iron Bay Mines Limited (formerly Iron Bay Mines Limited) since June 3, 1963.

Toronto, Ontario
December 28, 1967

N. S. Beaton



<p>16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.</p>	<p>So far as the Company knows, there are no persons in a position to elect or cause to be elected a majority of the directors of the Company, except the present directors, who are probably in a position to do so upon a solicitation of proxies.</p> <p>Chimo Gold Mines Limited being the beneficial holder of 631,500 shares of the capital stock of the Company and the shares of the Company to be underwritten might be considered to be in a position to materially affect control of the Company.</p>				
<p>17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.</p>	<p>At the date hereof the Company holds no investments in shares or other securities of other companies.</p> <p>The Company will however receive 212,500 shares of Nakina Mines Limited from the proposed sale of its interest in the Property to Nakina as referred to in Schedule "A" hereto.</p> <p style="text-align: center;"><u>Schedule of Investments as at December 12, 1967</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>FACE VALUE</u></th><th style="text-align: right;"><u>COST</u></th></tr> </thead> <tbody> <tr> <td>\$20,000.00 Province of Ontario 5½% Bonds due April 15, 1968.</td><td style="text-align: right;">\$19,950.00</td></tr> </tbody> </table> <p>See Schedule "A" on pages 3-5 Inclusive.</p>	<u>FACE VALUE</u>	<u>COST</u>	\$20,000.00 Province of Ontario 5½% Bonds due April 15, 1968.	\$19,950.00
<u>FACE VALUE</u>	<u>COST</u>				
\$20,000.00 Province of Ontario 5½% Bonds due April 15, 1968.	\$19,950.00				
<p>18. Brief statement of any lawsuits pending or in process against company or its properties.</p>	<p>There are no lawsuits pending or in process against the Company or its properties.</p>				
<p>19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.</p>	<p>There are no material contracts entered into by the Company which are still in effect and which are not disclosed in the foregoing.</p>				
<p>20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.</p>	<p>(a) This Statement is filed pursuant to the rules and regulations of the Toronto Stock Exchange in respect to the matter referred to in Item 1, which the Company understands to be classed as "material changes".</p> <p>(b) At the date hereof shares of the Company are not in the course of primary distribution to the public.</p> <p>(c) There are no other relevant material facts.</p>				

DATED December 12, 1967.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

LAKE-OSU MINES LIMITED

"F.W. Graham"	CORPORATE SEAL
"D.W. Falconer"	SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

CHIMO GOLD MINES LIMITED

"D.W. Falconer"	[Signature]
"D.A. Huntley"	[Signature]

